

EBS/81/182
Supplement 1

CONFIDENTIAL

September 10, 1981

To: Members of the Executive Board

From: The Acting Secretary

Subject: Designation Plan and Operational Budget for September-
November 1981 - Non-Inclusion of Australia

Attached for consideration by the Executive Directors is a memorandum of the Managing Director on the matter of non-inclusion of Australia in the designation plan which was taken up under "Other Business" yesterday, at EBM/81/122 (9/9/81).

It should be noted that the memorandum also refers to the operational budget (EBS/81/183, 8/28/81), which is scheduled for discussion by the Executive Board on Friday, September 11, 1981, immediately following the discussion of the designation plan (EBS/81/182, 8/28/81 and Supplement 1, 9/10/81).

Att: (1)

CONFIDENTIAL

September 9, 1981

To: Members of the Executive Board

From: The Managing Director

Subject: Designation Plan and Operational Budget for September -
November 1981--Non-Inclusion of Australia

The Executive Director for Australia has just informed the staff that the level of Australia's gold and foreign exchange has fallen by about 20 per cent between the end of June and early September, and the level of official holdings of foreign exchange has fallen even faster, by about one third.

Under these circumstances, the staff has reviewed Australia's balance of payments and reserves position. The recent sharp fall in reserves effectively eliminates most of the growth in reserves recorded in the first half of 1981 and upon which the assessment of strength for inclusion in the Designation Plan was based.

In the light of recent developments, it would seem reasonable not to include Australia in the list of participants whose balance of payments and reserve position is considered at this time to be sufficiently strong for them to be subject to designation in accordance with Article XIX, Section 5 (a)(i). Consequently, I am attaching a revision of Table 1 of EBS/81/182 which shows a recalculation of the individual amounts for participants that are proposed for inclusion in the Designation Plan for the quarterly period, September-November 1981.

As regards the Operational Budget, I would propose, in view of the relatively small amount involved, that the non-inclusion of Australia in the Budget should be accommodated by reducing the total size of the transfer budget of SDR 1,750 million by the amount calculated for Australia, i.e., by SDR 7.5 million. The other amounts calculated for individual members and shown in Table 1 of EBS/81/183 would be maintained unchanged.

Att: (2)

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Recommended Decision

8. The following draft decision on a matter pertaining exclusively to the Special Drawing Rights Department is proposed for adoption by the Executive Board:

The Executive Board approves the designation plan for the quarterly period beginning September , 1981, as set out in EBS/81/182, Supplement 1.

Table 1. Designation Plan: September - November, 1981

(In millions of SDRs)

Participants	Maximum Designation Amount
Algeria	5.4
Austria	2.0
Bahrain	1.4
Chile	24.9
Colombia	3.4
Indonesia	9.2
Kuwait	1.7
Libya	2.8
Mexico	34.0
Oman	1.1
Qatar	1.1
Rwanda	0.9
Singapore	3.9
South Africa	23.1
Suriname	0.7
Trinidad and Tobago	2.0
United Arab Emirates	4.7
United Kingdom	235.9
United States	337.6
Uruguay	3.5
Total	699.3